

**TESTIMONY OF THE
DISTRICT DEPARTMENT OF PUBLIC WORKS**

**ABANDONED AND JUNK VEHICLE DIVISION
Oversight Hearing**

**Before the
COUNCIL OF THE DISTRICT OF COLUMBIA
Subcommittee on Public Works and the Environment**
Councilmember Carol Schwartz, Chair



Leslie Hotaling, Director
Department of Public Works

Anthony A. Williams
Mayor

Wednesday September 19, 2001

GOOD AFTERNOON CHAIRPERSON SCHWARTZ AND MEMBERS OF THE COMMITTEE ON PUBLIC WORKS AND THE ENVIRONMENT. I AM LESLIE HOTALING, DIRECTOR OF THE DEPARTMENT OF PUBLIC WORKS. TODAY, I AM JOINED BY GWEN MITCHELL, ADMINISTRATOR FOR PARKING SERVICES AND PAMELA GRAHAM, CHIEF FINANCIAL OFFICER OF DPW. I AM PLEASED TO BE WITH YOU TO OUTLINE THE SWEEPING, LONG-RANGE CHANGES WE ARE MAKING IN THE ABANDONED AND JUNK VEHICLE DIVISION.

WE APPRECIATE THE OBSERVATIONS CONTAINED IN THE RECENT DISTRICT OF COLUMBIA AUDITOR'S REPORT. IN FACT, THE AUDITOR'S FINDINGS AND RECOMMENDATIONS SUPPORT OUR OWN CONCLUSIONS BASED ON AN EARLIER STUDY CONDUCTED IN CONJUNCTION WITH THE CITY ADMINISTRATOR'S OFFICE.

AS I SPEAK TO YOU TODAY, THE ABANDONED AND JUNK VEHICLE DIVISION IS, QUITE SIMPLY, RADICALLY CHANGING. YOU CAN EXPECT TO SEE US

- 1) ADDING NEW TECHNOLOGY, REPOSITIONING STAFF AND REMOVING VEHICLES FROM THE STREETS MORE QUICKLY;**
- 2) APPLYING SOUND BUSINESS AND FINANCIAL MANAGEMENT PRACTICES TO OUR AUCTIONS; AND**
- 3) SERVING RESIDENTS, OUR CUSTOMERS, WITH THE EFFICIENCY THAT THEY EXPECT AND DESERVE.**

LET ME PUT THE ABANDONED AND JUNK VEHICLE ISSUE INTO PERSPECTIVE BY MENTIONING THE CHALLENGES WE FACE IN THE DISTRICT, BEGINNING WITH THE STUBBORN PROBLEM OF VEHICLES IMPORTED FROM OTHER JURISDICTIONS.

IN ADDITION TO THE ENORMOUS SUPPLY OF ABANDONED AND JUNK VEHICLES THAT ORIGINATE HERE, THERE ARE ALSO COUNTLESS ABANDONED AND JUNK VEHICLES THAT ARE BROUGHT INTO THE DISTRICT FROM NEIGHBORING COMMUNITIES AND DUMPED ON OUR STREETS. WE MUST WORK WITH COUNCIL TO DEVELOP LEGISLATION THAT DEALS DECIVELY AND APPROPRIATELY WITH THE PEOPLE COMMITTING THESE CRIMES.

ADDITIONALLY, THE VERY NATURE OF THE ABANDONED AND JUNK VEHICLE BUSINESS IS CHALLENGING. THE MOST COMMON MISPERCEPTION IS THAT WE SIMPLY REMOVE A VEHICLE FROM THE STREET WITH EASE, AND AT WILL. NOTHING COULD BE FURTHER FROM THE TRUTH.

ON A DAILY BASIS, DID YOU KNOW THAT WE TOW NOT ONLY ABANDONED CARS, BUT ALSO LARGE SUVS, BOATS, TRAILERS, MOTORCYCLES, BURNED-OUT HULKS, AND THE OCCASSIONAL FULL-SIZED MOBILE HOME? THESE VEHICLES MAY BE LOCATED ON A DISTRICT STREET, IN A SCHOOLYARD OR PARKING GARAGE, STUCK IN THE MUD, MISSING ALL 4 WHEELS, UPSIDE DOWN IN A DITCH, OR WEDGED IN AN ALLEY. MANY OF THESE VEHICLES REQUIRE SPECIAL EQUIPMENT JUST TO PULL THEM OUT OF THESE AREAS AND TOW THEM TO BLUE PLAINS.

OTHER CIRCUMSTANCES, SUCH AS THE DISCOVERY THAT THE VEHICLE HAS BEEN REPORTED STOLEN, OR THAT THE ABANDONED VEHICLE IS ON PRIVATE PROPERTY, REQUIRE SPECIAL AND USUALLY LENGTHY PROCESSING BY OUR STAFF.

NOT ONLY DO WE BEAR THE RESPONSIBILITY FOR TOWING THIS WIDE ASSORTMENT OF ABANDONED VEHICLES DUMPED ON CITY STREETS, BUT WE MUST ALSO DISPOSE OF THEM, IF THEY ARE NOT RECLAIMED.

THE BETTER VEHICLES WE OFFER AT AUCTION, HOPING TO RECOVER, THROUGH AUCTION PROCEEDS, ENOUGH TO COVER THE COSTS OF TOWING, IMPOUNDING, STORING, SUPPLYING TITLES, AND OTHER RELATED EXPENSES. WE SOMETIMES END UP “PAYING” AS MUCH AS \$200 FOR A SINGLE VEHICLE THAT OFTEN MAY ONLY BRING \$50 AT AUCTION.

WE KNOW THAT OTHER CITIES AND COUNTIES IN OUR AREA HAVE PROBLEMS DISPOSING OF ABANDONED AND JUNK VEHICLES, JUST AS WE DO. WE HAVE FOUND THAT WE ACTUALLY COMPETE WITH OTHER LOCAL JURISDICTIONS AND PRIVATE AUCTION HOUSES FOR VEHICLE BUYERS. MANY AUCTION ATTENDEES TRAVEL BETWEEN THE AREA AUCTIONS – SHOPPING FOR THE BEST DEALS. THEIR KNOWLEDGE OF THE MARKET ACTS TO DRIVE DOWN THE PRICES WE RECEIVE AT AUCTION.

WE HAVE ALSO LEARNED THAT A GLUT OF STEEL ON WORLDWIDE MARKETS HAS DRIVEN DOWN THE PRICE PAID FOR SCRAP METAL. ON THE LOCAL LEVEL, THIS MEANS THAT RELIABLE SCRAP DEALERS WHO HAVE PREVIOUSLY TAKEN OUR IMPOUNDED JUNK VEHICLES WILL NO LONGER DO SO. THEY SIMPLY CANNOT TURN A PROFIT IN THE CURRENTLY DEPRESSED STEEL MARKET.

IN SPITE OF THESE CHALLENGES, I AM PLEASED TO TELL YOU THAT OUR REENGINEERING PLAN IS ALREADY UNDERWAY.

ONE OF THE GREATEST REFORMS WE ARE MAKING IN THE ABANDONED AND JUNK VEHICLE DIVISION INVOLVES INFORMATION TECHNOLOGY. WE ARE INTEGRATING THE NEW “HANSEN” DATABASE SYSTEM INTO OUR ABANDONED AUTO COMPUTER SYSTEM.

THIS CHANGE ALONE WILL HELP US TO REALIZE MANPOWER SAVINGS AND TO MEASURE AND IMPROVE ON OUR PERFORMANCE IN REAL TIME.

WE WILL BE ABLE TO MONITOR, REPORT ON, AND SUPPLY DATA ON ANY SERVICE REQUEST, AND TO USE THIS INFORMATION TO BETTER POSITION RESOURCES AND INVESTIGATORS.

WE ARE ALSO EXPANDING OUR “WALES” CAPABILITIES AT BLUE PLAINS. WE RELY ON THE WALES SYSTEM (*WASHINGTON AREA LAW ENFORCEMENT SYSTEM*), SUPPLIED BY MPD, TO RESEARCH STOLEN VEHICLES AND TO NOTIFY LOCAL AND NATIONAL AUTHORITIES THAT WE HAVE IMPOUNDED A VEHICLE. BY PUTTING WALES ON OUR LOCAL COMPUTER NETWORK, WE QUADRUPLE OUR CAPACITY TO PROCESS THIS CRITICAL INFORMATION.

WE ARE ALSO INSTALLING LAPTOP COMPUTERS IN INVESTIGATOR VEHICLES, ALLOWING THEM TO SCREEN VEHICLES IN THE FIELD TO DETERMINE IF THEY ARE STOLEN. PREVIOUSLY, INVESTIGATORS HAD TO RETURN TO BLUE PLAINS TO RUN EACH VEHICLE THROUGH THE WALES SYSTEM. BECAUSE THE BLUE PLAINS FACILITY IS LOCATED ON THE OUTSKIRTS OF THE CITY, INVESTIGATORS CAN LOSE UP TO TWO HOURS OF ON-STREET TIME TO TRAVEL.

OUR ULTIMATE GOAL IS THE IMPLEMENTATION OF THE “CENTRALIZED TOWING” CONCEPT THAT WE HAVE BEEN WORKING ON OVER THE LAST YEAR. THIS CONCEPT, HAVING BEEN DEVELOPED IN CONCERT WITH THE DEPARTMENT OF INSURANCE AND SECURITIES REGULATION AND THE METROPOLITAN POLICE DEPARTMENT, WILL PROVIDE FOR SINGULAR CONTROL OVER ALL DISTRICT TOWS – AND FOR A CENTRALIZED SYSTEM FOR IMPROVED COORDINATION AND CONTROL.

YOU WILL BE PLEASED TO KNOW THAT NEXT MONTH, WE WILL BEGIN A NEW OPERATIONS CENTER, KNOWN AS THE “MISSION CONTROL ROOM,” AT OUR PARKING SERVICES FACILITY ON WEST VIRGINIA AVE., NE.

HERE, WE WILL HOUSE ALL OF OUR ABANDONED VEHICLE INVESTIGATORS AND THEIR SUPPORT TEAM.

INVESTIGATORS AND THEIR NEW “CUSTOMER SERVICE” SUPPORT STAFF WILL USE THE MORE ADVANCED “HANSEN” SYSTEM TO CAPTURE, TRACK, AND ACT QUICKLY ON CUSTOMER SERVICE REQUESTS. CUSTOMER SERVICE REPS IN THE MISSION CONTROL ROOM WILL STAY IN CONSTANT CONTACT WITH INVESTIGATORS ON THE STREET, COORDINATING THEIR EFFORTS WHILE UPDATING DATA ON ALL CUSTOMER SERVICE ACTIVITIES.

WITH THIS RELOCATION OF INVESTIGATORS, WE WILL MINIMIZE EXCESS TRAVEL TIMES, AND IMPROVE THEIR SUPERVISION AND PRODUCTIVITY BY MAXIMIZING THEIR TIME AND EFFECTIVENESS ON THE STREET.

ON THE DISPOSAL SIDE, WE ARE WORKING DILIGENTLY TO EVENTUALLY OUTSOURCE THE AUCTION ACTIVITIES AT BLUE PLAINS TO A PROFESSIONAL AUCTION HOUSE. OBVIOUSLY, VEHICLE AUCTIONS ARE NOT OUR CORE BUSINESS, AND DEMAND A DISPROPORTIONATE AMOUNT OF OUR LIMITED RESOURCES.

IN THE MEANTIME, HOWEVER, WE HAVE ALREADY IMPLEMENTED SEVERAL INITIATIVES TO IMPROVE THE OPERATIONS OF THE AUCTION PROCESS. THESE INCLUDE THE DEVELOPMENT AND IMPLEMENTATION OF STANDARD OPERATION PROCEDURES FOR AUCTION ACTIVITIES, AUCTION SALES RECONCILIATION PROCESSES AND AN EMPLOYEE CODE OF CONDUCT. FINANCIAL STAFF IS DEPLOYED AT EVERY AUCTION TO MONITOR THE CASH COLLECTION ACTIVITIES AND THEN TO PERFORM THE ACCOUNTING AND RECONCILIATION OF ALL REVENUE COLLECTION TRANSACTIONS.

TRAINING OF STAFF INVOLVED IN THE AUCTION ACTIVITIES HAS BEEN COMPLETED AND THE PROCUREMENT OF CASH REGISTERS AND SECURITY ENHANCEMENTS IS UNDERWAY.

WE HAVE ALSO CONSIDERED PROPOSING A CITY-WIDE AUCTION MECHANISM IN WHICH ALL AGENCIES CAN RELY ON A SIMPLIFIED AND CENTRALIZED SYSTEM TO DISPOSE OF SURPLUS PROPERTIES.

IN CONCLUSION, WE HAVE RECOGNIZED AND UNDERSTOOD OUR SHORTCOMINGS ON THE ABANDONED AND JUNK VEHICLE PROGRAM AND WE ARE ACTING WITH DISPATCH, APPLYING BEST PRACTICES, STATE OF THE ART TECHNOLOGY, REINVENTION OF PROCESSES, AND THE WILL AND COMMITMENT OF A GREAT TEAM OF MISSION-ORIENTED EMPLOYEES TO RADICALLY TRANSFORM IT INTO A CUSTOMER-DRIVEN CENTER OF EXCELLENCE.

THAT BEING SAID, WE BELIEVE THAT THE COSTS TO RUN THIS PROGRAM WILL CONTINUE TO EXCEED THE REVENUES AVAILABLE THROUGH THE AUCTION PROCESS. ACCORDINGLY, DURING THE FY2003 BUDGET PROCESS, WE WILL BE SUBMITTING A PROPOSAL FOR APPROPRIATED DOLLARS TO FULLY SUPPORT THE OPERATIONS OF THIS DIVISION.

WE WILL RELY ON YOUR SUPPORT IN THE COMING WEEKS AND MONTHS, AND LOOK FORWARD TO SHARING OUR SUCCESS WITH YOU ON THIS ENDEAVOR.

WE ARE NOW AVAILABLE FOR ANY QUESTIONS YOU MAY HAVE.